



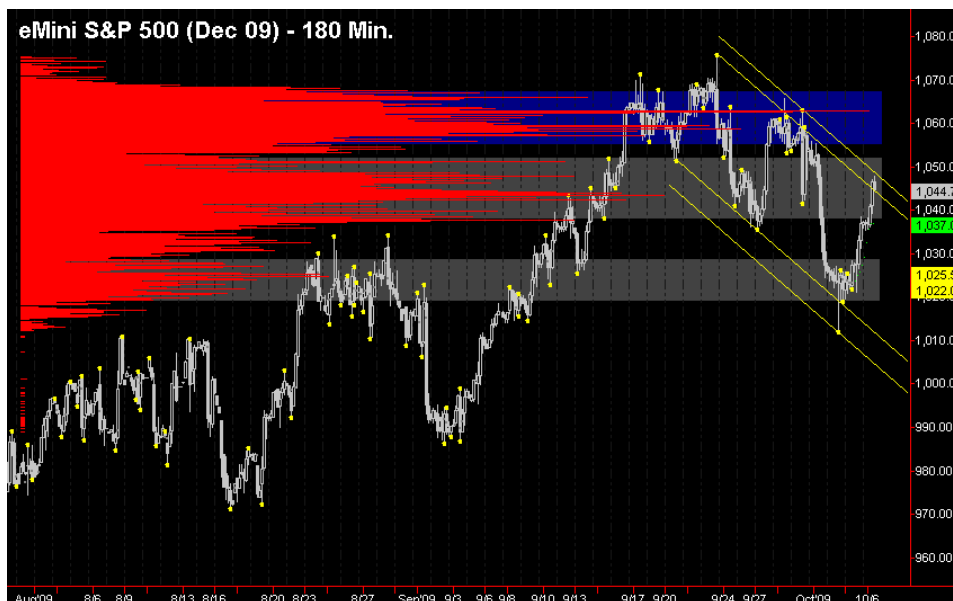
COMMENTARY FOR THE eMINI S&P 500 DEC 2009 CONTRACT (the "ES")

The Precise Take – ES at critical resistance off USD weakness

Leaders Analysis: Overnight, the Australian central bank became the first (major CB) to raise rates (1/4 pt to 3.25%). The USD is down as expected against the AUD, but also all the other major crosses. Equities have been repriced in the weakened USD and are up materially on the news. Interestingly, there seems to be no fear of a similar Fed hike, which would weigh on equities. With the BOE and ECB to meet early Thursday, there is the potential, though unlikely, for more surprises. We had speculated on Treasury weakness to boost equities (still possible), but this works as well.

Trading Today: The ES got the expected bounce yesterday, and with no sellers, posted a high to toward the close at the monthly pivot of 1038.50. Overnight, the ES has traded above the 1043.50 point of control and is at critical trendline resistance (see below) for the shorts. We expect the daily R1's to provide support at 1043.25 to 1043.75 and daily R2's to provide resistance at 1049.50 to 1050.75. We are willing to trade off these areas within the first hour. Above 1050.75, and we expect more short covering and will not fade strength. Below 1043.25, and we would wait for the 1035.00 to 1038.50 area to go long, not picking bottoms below.

Today's volume profile:



Day Trading Guide

Daily Gaps
 1035.50 (4:00 pm close)
 1037.00 (4:15 pm settlement)

Daily Pivots
 1032.25 (day-session-only)
 1031.75 (day & overnight sessions)

Unfilled Gaps
 1011.75 to 1014.75 (price)

Upside Targets
 1126.25, 1144.75, 1160.75

Downside Targets
 991.00, 948.75, 922.25, 913.00,
 854.75, 846.00, 828.00, 811.75,
 777.25

Countertrend Longs*

None

Countertrend Shorts*

1064.50, 1071.25

* Countertrend trades have a 2 point target and 2 point stop, are valid during the day session only, and are not recommended on high volume moves or around major news releases.

Today's Scheduled News

Major Market Movers

None

Minor Market Movers

Redbook at 8:55 am
 3 Yr Note Auction at 1:00 pm

Tomorrow's Scheduled News

Major Market Movers

10 Yr Note Auction at 1:00 pm

Minor Market Movers

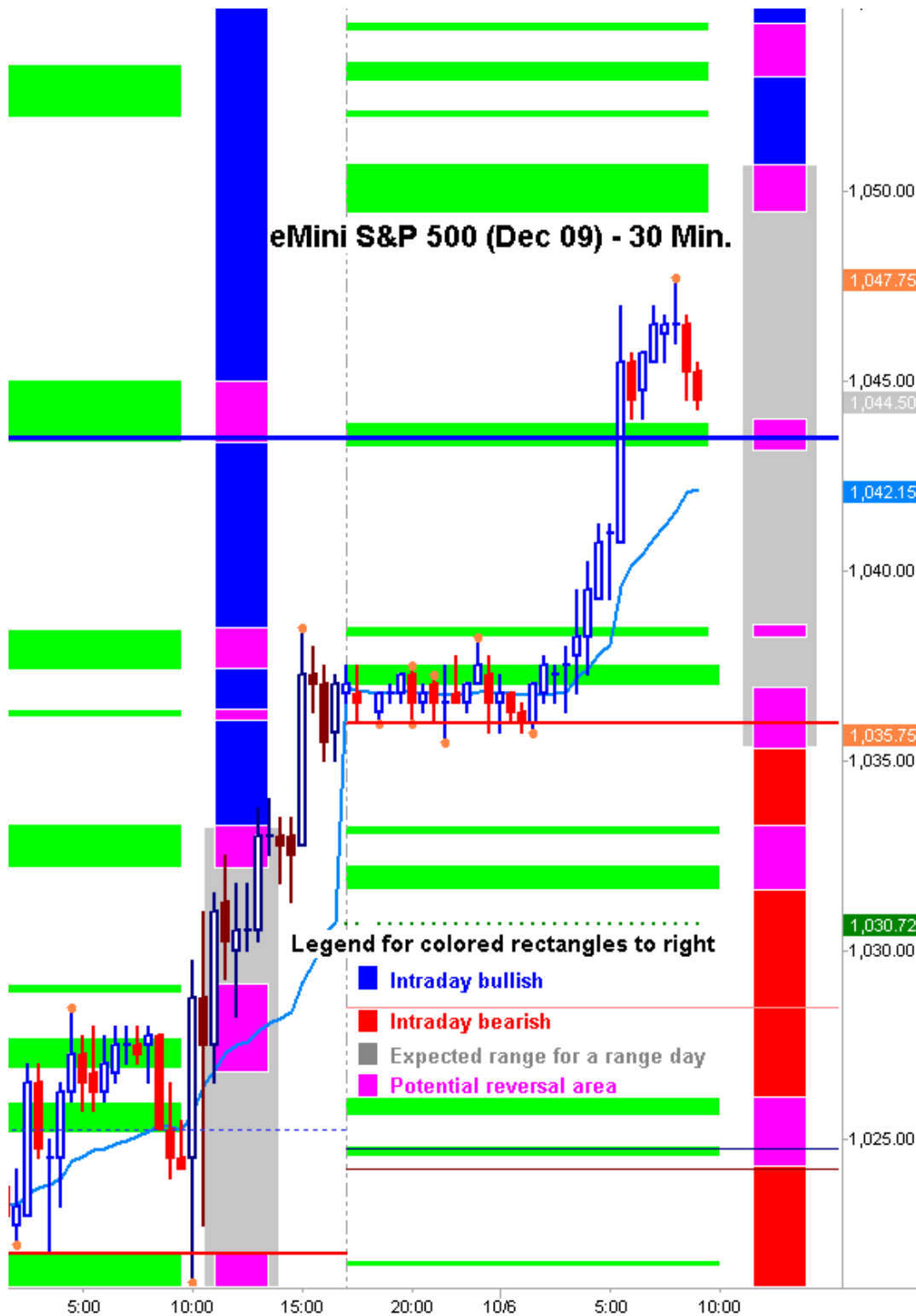
MBA Purchase Apps at 7:00 am
 EIA Petroleum Stats at 10:30 am
 Consumer Credit at 3:00 pm



Free intraday updates at <http://www.precisioncapmgt.com>.

Disclaimer: The information in this report is general market commentary and for educational purposes only. No personal trade recommendations are being made hereby. Trading futures and securities is highly risky and you can lose a substantial amount of money. Past performance is not necessarily indicative of future results. All charts herein created with TradeStation.

Today's Support and Resistance:



Legend: Market Profile points of control (POC's) are calculated each day and displayed as lines colored shades of blue or red. Shades of blue measure POC's over the life of the contract. Shades of red measure POC's for the previous day only. Confluence areas of support and resistance are calculated using Fibonacci retracement and extensions, market profile POC, and pivot formulas calculated on monthly, weekly and daily (day-session-only and day/overnight combined) time frames. These areas are drawn as shaded green boxes. Previously drawn areas have not been adjusted retroactively.

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